



**Credit Union
Legislative Action Council**

A Member of the Credit Union System

Suite 300
805 15th Street NW
Washington, D.C.
20005-2207

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COMMISSION MAIL ROOM**
(202) 682-4200

2000 JAN -5 A 9 13

January 4, 2000

Antoinette Kitchen
Reports Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: April, May, and September Monthly Reports

Dear Ms. Kitchen:

I am in receipt of your letter dated December 1, 1999 regarding the Credit Union Legislative Action Council of CUNA's ("CULAC") April, May, and September Monthly Reports. Your letter identifies several in-kind contributions made by CULAC which had initially been made by other persons or entities and asks for an explanation of the circumstances surrounding these transactions. As permitted by law, CULAC sponsors events for candidates and treats the expenses of such events as in-kind contributions to the recipient candidate. It is CULAC's practice to pay for such expenses in advance of the event. However, on some occasions the event may cost more than anticipated. In those instances, an individual employee of the Credit Union National Association ("CUNA") or another member of CUNA's restricted class will use a personal credit card to pay some of the costs of the event. CULAC then reimburses the individual for the cost overruns and treats the additional expenses as an in-kind contribution to the candidate.¹

¹ CULAC recognizes that payments by an individual are treated as contributions until reimbursed pursuant to 11 C.F.R. § 116.5(b). However, the majority of the contributions highlighted by you were within the individual's personal limit to the candidate. Moreover, even when a contribution exceeds a limit, the candidate is permitted to seek a redesignation of the contribution within sixty days pursuant to 11 C.F.R. § 110.1(b)(5). In this case, CULAC reimbursed the individual well within sixty days and treated the expenses as an in-kind

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As for the remaining disbursements you have highlighted, CULAC paid the identified State Leagues as soon as it learned a League had incurred some expenses related to a fundraiser.² While CULAC has notified all of its state leagues that payment should be made in advance of an event, it is instituting additional procedures so that these isolated instances will not occur in the future. Specifically, pursuant to Advisory Opinion 1984-37, Fed. Election Camp. Fin. Guide (CCH) ¶ 5784 (1984) and consistent with the Commission's regulations found at 11 C.F.R. § 114.2, CULAC will make an advance payment to CUNA to cover the costs of any expenses that CUNA or its State Leagues may incur in connection with future fundraising events. The expenses will then be itemized as in-kind contributions as of the dates incurred.

Thank you for raising these items with us.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Richard Gose', with a long horizontal flourish extending to the right.

Richard Gose

contribution from CULAC.

² CULAC has reviewed its October, November and December Monthly reports for any other incidents similar to those reflected in your letter. This letter will also explain payments found on pages 1 and 2 of 5 for line 23 of its October Monthly report, and on pages 5, 7, and 8 of 8 for line 23 of its November Monthly report.

Federal Election Commission

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